



January 16, 2018

Vistasp M. Karbhari, Ph.D., President  
The University of Texas at Arlington  
321 Davis Hall, Box 19125  
Arlington, Texas 76019-0125

Dear President Karbhari:

We have completed our Independent Auditor's Report on the Application of the Agreed-Upon Procedures for the Department of Intercollegiate Athletics at The University of Texas at Arlington (UTA) for the Fiscal Year Ended August 31, 2017. The results of the engagement are detailed in the attached report.

We appreciate the assistance provided to us by the various departments at UTA.

Sincerely,

J. Michael Peppers, CPA, CIA, QIAL, CRMA  
Chief Audit Executive

cc: Steven Leslie, Ph.D., Executive Vice Chancellor for Academic Affairs  
Kelly Davis, Chief Financial Officer and Vice President for Business Affairs  
Jim Baker, Director of Athletics  
John Mocek, Sr. Associate Athletics Director for Finance and Administration  
Tony Burken, Associate Athletics Director for Business and Operations  
Dana Nuber, Interim Chief Audit Executive

**The University of Texas at Arlington  
Department of Intercollegiate Athletics**

**Independent Auditor's Report on the  
Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**



**January 2018**

THE UNIVERSITY OF TEXAS SYSTEM AUDIT OFFICE  
210 WEST SEVENTH STREET  
AUSTIN, TX 78701  
(512) 499-4390



**The University of Texas at Arlington  
Independent Auditor's Report on the Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**

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**INDEPENDENT<sup>1</sup> AUDITOR'S REPORT  
ON THE APPLICATION OF AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the President of The University of Texas at Arlington (UTA), solely to assist UTA management in evaluating whether the accompanying Statement of Revenues and Expenses (SRE) of UTA's Department of Intercollegiate Athletics (Athletics) is in compliance with the National Collegiate Athletic Association (NCAA) Constitution 3.2.4.15.1 for the fiscal year (FY) ended August 31, 2017. UTA's management is responsible for the SRE and compliance with NCAA requirements.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The following pages outline the required procedures and results. Reportable findings are defined as errors or misclassifications equal to or greater than one percent of total revenues or expenses. *There were no reportable findings and recommendations identified as a result of the agreed-upon procedures performed.*

Also attached to this report are the following appendices: **Appendix A**, SRE of Athletics for the Fiscal Year Ended August 31, 2017; **Appendix B**, Notes to the SRE; and **Appendix C**, Variance Analysis.

**Agreed-Upon Procedures Related to all Revenues, Expenses, and Other Reporting Items**

- Agree the amounts reported on the SRE to UTA's general ledger.

*Revenues, expenses, and other reporting items reported on the SRE materially agreed to the amounts reported in UTA's general ledger. In addition, there are certain items recorded on the SRE that are not required to be recorded in UTA's general ledger, including out-of-state tuition waivers, indirect institutional support, and gifts in-kind. The NCAA requires that these items be reported on the SRE to fully reflect the operations of Athletics.*

- Perform the following procedures for all revenue and expense categories applicable to the SRE:
  - ❖ Compare and agree each operating revenue and expense category reported in the SRE during the reporting period to supporting schedules provided by UTA. If a specific reporting category is less than 4.0% of the total revenues, no procedures are required for that specific category.
  - ❖ Compare and agree a sample of operating revenue receipts and operating expenses obtained from the above supporting schedules to adequate supporting documentation.
  - ❖ Compare each major revenue and expense account over 10% of the total revenues/expenses to prior period amounts and budget estimates. Obtain and document an understanding of any variations greater than 10%. Report the analysis as a supplement to the final Agreed-Upon procedures report.

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<sup>1</sup> The NCAA requires this agreed-upon procedures engagement to be conducted by an independent accountant. For purposes of this engagement, the NCAA considers the UT System Audit Office to be independent.



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*These procedures were performed for the revenue and expense categories listed below, except for those less than 4.0% of the total revenues or total expenses, as stated in the procedures. If applicable, any material exceptions are noted below under the specific category.*

- Identify and document aspects of UTA's internal control structure that are unique to Athletics. Test specific elements of the control environment and accounting systems that (1) are unique to Athletics and (2) have not been addressed in connection with the audit of UTA's financial statements.

*No material exceptions were noted as a result of these procedures.*

- Identify all intercollegiate athletics related affiliated and outside organizations and obtained those organizations' financial statements for the reporting period.

*UTA does not have any athletics related affiliated and outside organizations with financial statements. UTA has the Maverick Club, which is operated by Athletics.*

**Agreed-Upon Procedures Related to Revenues**

**Ticket Sales**

1. Compare tickets sold during the reporting period, complimentary tickets provided during the reporting period, and unsold tickets to the related revenue reported by UTA in the SRE and the related attendance figures and recalculate totals.

*No material exceptions were noted as a result of these procedures.*

**Student Fees**

2. Compare and agree student fees reported by UTA in the SRE for the reporting period to student enrollments during the same reporting period and recalculate totals.
3. Obtain and document an understanding of the UTA's methodology for allocating student fees to intercollegiate athletics programs.
4. If the athletics department is reporting that an allocation of student fees should be countable as generated revenue, recalculate the totals of their methodology for supporting that they are able to count each sport. Tie the calculation to supporting documents such as seat manifests, ticket sales reports, and student fee totals.

*No material exceptions were noted as a result of these procedures.*

**Direct State or Other Governmental Support**

5. Compare direct state or other governmental support recorded by UTA during the reporting period with state appropriations, institutional authorizations, and/or other corroborative supporting documentation and recalculate totals.

*Procedure was not applicable. Athletics did not receive direct state or other governmental support.*



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**Direct Institutional Support**

6. Compare the direct institutional support recorded by UTA during the reporting period with institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculate totals.

*No material exceptions were noted as a result of this procedure.*

**Transfers Back to Institution**

7. Compare the transfers back to UTA with permanent transfers back to institution from the athletics department and recalculate totals.

*Procedure was not applicable. Athletics did not have any transfers back to the institution during the reporting period.*

**Indirect Institutional Support**

8. Compare the indirect institutional support recorded by UTA during the reporting period with expense payments, cost allocation detail, and other corroborative supporting documentation and recalculate totals.

*No material exceptions were noted as a result of this procedure.*

**Guarantees**

9. Select a sample of settlement reports for away games during the reporting period and agree each selection to UTA's general ledger and/or the SRE and recalculate totals.
10. Select a sample of contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period. Compare and agree each selection to UTA's general ledger and/or the SRE and recalculate totals.

*No material exceptions were noted as a result of these procedures.*

**Contributions**

11. Obtain and review supporting documentation for any contributions of moneys, goods, or services received directly by the intercollegiate athletics program from any affiliated or outside organization that constituted 10% or more of all contributions received for intercollegiate athletics during the reporting period and recalculate totals.

*There were no individual contributions of moneys, goods, or services received directly by Athletics from an affiliated or outside organization that constituted 10% or more of all contributions received for Athletics during the reporting period. As no individual contributions constituted 10% or more of all contributions received during the reporting period, we did not present a listing in a supplemental schedule to the SRE.*

**In-Kind**

12. Compare the in-kind recorded by UTA during the reporting period with a schedule of in-kind donations and recalculate totals.



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*No material exceptions were noted as a result of this procedure.*

**Compensation and Benefits Provided by a Third-Party**

13. Obtain the summary of revenues from affiliated and outside organizations (Summary) as of the end of the reporting period from UTA. Select a sample of funds from the Summary and compare and agree each selection to supporting documentation, UTA's general ledger, and/or the Summary and recalculate totals.
14. If the third party was audited by independent auditors, obtain the related independent auditors' report.

*Procedures were not applicable. Athletics did not have compensation or benefits provided by a third-party during the reporting period.*

**Media Rights**

15. Obtain and inspect agreements to understand UTA's total media (broadcast, television, radio) rights received by UTA or through their conference offices as reported in the SRE.
16. Compare and agree the media right revenues to a summary statement of all media rights identified, if applicable, and UTA's general ledger and recalculate totals.

*Procedures were not applicable. Athletics did not earn revenue from media rights during the reporting period.*

**NCAA Distributions**

17. Compare the amounts recorded in the revenue and expense reporting to general ledger detail for NCAA distributions and other corroborative supporting documents and recalculate totals.

*No material exceptions were noted as a result of this procedure.*

**Conference Distributions**

18. Obtain and inspect agreements related to UTA's conference distributions and participation in revenues from tournaments during the reporting period to gain an understanding of the relevant terms and conditions.
19. Compare and agree the related revenues to UTA's general ledger and/or the SRE and recalculate totals.

*No material exceptions were noted as a result of these procedures.*

**Program Sales, Concessions, Novelty Sales, and Parking**

20. Compare the amount recorded in the revenue reporting category to general ledger detail of program sales, concessions, novelty sales, and parking as well as any other corroborative supporting documents and recalculate totals.

*No material exceptions were noted as a result of this procedure.*



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**Royalties, Licensing, Advertisements, and Sponsorships**

21. Obtain and inspect agreements related to UTA's participation in revenues from royalties, licensing, advertisements, and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions.
22. Compare and agree the related revenues to UTA's general ledger and/or the SRE and recalculate totals.

*No material exceptions were noted as a result of these procedures.*

**Sports Camp Revenues**

23. Inspect sports-camp contracts between UTA and persons conducting institutional sports-camps or clinics during the reporting period to obtain an understanding of the UTA's methodology for recording revenues from sports-camps.
24. Obtain schedules of camp participants and select a sample of individual camp participant cash receipts from the schedule of sports-camp participants and agreed each selection to UTA's general ledger and/or the SRE and recalculate totals.

*No material exceptions were noted as a result of these procedures.*

**Athletics Restricted Endowment and Investment Income**

25. Obtain and inspect endowment agreements to gain an understanding of the relevant terms and conditions.
26. Compare and agree the classification and use of endowments and investment income reported in the SRE during the reporting period to the uses of income defined within the related endowment agreement and recalculate totals.

*No material exceptions were noted as a result of these procedures.*

**Other Operating Revenue**

27. Perform minimum agreed-upon procedures referenced for all revenue categories and recalculate totals.

*No material exceptions were noted as a result of this procedure.*

**Bowl Revenues**

28. Obtain and inspect agreements related to UTA's revenues from post-season bowl participation during the reporting period to gain an understanding of the relevant terms and conditions.
29. Compare and agree the related revenues to UTA's general ledger, and/or the SRE and recalculate totals.

*Procedures were not applicable. Athletics did not have any bowl revenues for the reporting period.*



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**Agreed Upon Procedures Related to Expenses**

**Athletic Student Aid**

30. Select a sample of students from the listing of institutional student aid recipients during the reporting period.
31. Obtain individual student-account detail for each selection and compare the total aid in UTA's student system to the student's detail in UTA's report that ties directly to the NCAA Membership Financial Reporting System.
32. Perform a check of each student selected to ensure their information was reported accurately in the NCAA Membership Financial Reporting System.
33. Recalculate totals for each sport and overall.

*No material exceptions were noted as a result of these procedures.*

**Guarantees**

34. Obtain and inspect visiting institution's away-game settlement reports received by UTA during the reporting period and agree related expenses to UTA's general ledger and/or the SRE and recalculate totals.
35. Obtain and inspect contractual agreements pertaining to expenses recorded by UTA from guaranteed contests during the reporting period. Compare and agree related amounts expensed by UTA during the reporting period to UTA's general ledger and/or the SRE and recalculate totals.

*No material exceptions were noted as a result of these procedures.*

**Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities**

36. Obtain and inspect a listing of coaches employed by UTA and related entities during the reporting period. Select a sample of coaches' contracts, including football and men's and women's basketball from the listing.
37. Compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by UTA and related entities in the SRE during the reporting period.
38. Obtain and inspect payroll summary registers for the reporting year for each selection. Compare and agree payroll summary registers from the reporting period to the related coaching salaries, benefits, and bonuses paid by UTA and related entities expense recorded by UTA in the SRE during the reporting period.
39. Compare and agree the totals recorded to any employment contracts executed for the sample selected and recalculate totals.

*No material exceptions were noted as a result of these procedures.*

**Coaching Other Compensation and Benefits Paid by a Third-Party**

40. Obtain and inspect a listing of coaches employed by third parties during the reporting period. Select a sample of coaches' contracts, including football and men's and women's basketball from the listing.





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41. Compare and agree the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third-party and recorded by UTA in the SRE during the reporting period.
42. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary register to the coaching other compensation and benefits paid by a third-party expenses recorded by UTA in the SRE during the reporting period and recalculate totals.

*Procedures were not applicable. Athletics did not have compensation or benefits provided by a third-party during the reporting period.*

**Support Staff/Administrative Salaries, Benefits, and Bonuses Paid By the University and Related Entities**

43. Select a sample of support staff/administrative personnel employed by UTA and related entities during the reporting period.
44. Obtain and inspect reporting period summary payroll register for each selection. Compare and agree the related payroll summary registers to the related support staff/administrative salaries, benefits, and bonuses paid by UTA and related entities expense recorded by UTA in the SRE during the reporting period and recalculate totals.

*No material exceptions were noted as a result of these procedures.*

**Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party**

45. Select a sample of support staff/administrative personnel employed by third parties during the reporting period.
46. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary registers to the related support staff/administrative other compensation and benefits expense recorded by UTA in the SRE during the reporting period and recalculate totals.

*Procedures were not applicable. Athletics did not have compensation or benefits provided by a third-party during the reporting period.*

**Severance Payments**

47. Select a sample of employees receiving severance payments by UTA during the reporting period and agree each severance payment to the related termination letter or employment contract and recalculate totals.

*Procedure was not applicable. Athletics did not make severance payments during the reporting period.*

**Recruiting**

48. Obtain and document an understanding of UTA's recruiting expense policies.
49. Compare and agree to existing institutional- and NCAA-related policies.
50. Obtain general ledger detail and compare to the total expenses reported and recalculate totals.



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*No material exceptions were noted as a result of these procedures.*

**Team Travel**

51. Obtain and document an understanding of UTA's team travel policies.
52. Compare and agree to existing institutional- and NCAA-related policies.
53. Obtain general ledger detail and compare to the total expenses reported and recalculate totals.

*No material exceptions were noted as a result of these procedures.*

**Equipment, Uniforms, and Supplies**

54. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

*No material exceptions were noted as a result of this procedure.*

**Game Expenses**

55. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

*No material exceptions were noted as a result of this procedure.*

**Fund Raising, Marketing, and Promotion**

56. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

*No material exceptions were noted as a result of this procedure.*

**Sports Camps Expenses**

57. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

*No material exceptions were noted as a result of this procedure.*

**Spirit Groups**

58. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

*No material exceptions were noted as a result of this procedure.*

**Athletic Facility Debt Service, Leases and Rental Fees**

59. Obtain a listing of debt service schedules, lease payments, and rental fees for athletics facilities for the reporting year. Compare a sample of facility payments including the top two highest facility payments to additional supporting documentation (e.g., debt financing agreements, leases, rental agreements).
60. Compare amounts recorded to amounts listed in the general ledger detail and recalculate totals.



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*No material exceptions were noted as a result of these procedures.*

**Direct Overhead and Administrative Expenses**

61. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

*No material exceptions were noted as a result of this procedure.*

**Indirect Institutional Support**

62. Tested with revenue section - Indirect Institutional Support (see procedure # 8 on page 3).

*No material exceptions were noted as a result of this procedure.*

**Medical Expenses and Medical Insurance**

63. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

*No material exceptions were noted as a result of this procedure.*

**Memberships and Dues**

64. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

*No material exceptions were noted as a result of this procedure.*

**Other Operating Expenses and Transfers to Institution**

65. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

*No material exceptions were noted as a result of this procedure. Athletics did not have transfers to the institution during the reporting period.*

**Student-Athletic Meals (non-travel)**

66. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

*No material exceptions were noted as a result of this procedure.*

**Bowl Expenses**

67. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

*Procedure was not applicable. Athletics did not have any bowl expenses for the reporting period.*



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**Additional Minimum Agreed-Upon Procedures**

- Compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to UTA's squad lists. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the squad lists, inquire about the discrepancy and report the justification in the AUP report.

*No material exceptions were noted as a result of this procedure.*

- Obtain UTA's Sports Sponsorship and Demographics Forms Report for the reporting period. Validate that the countable sports reported by UTA meet the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and the number of participants in each contest that is counted toward meeting the minimum-contest requirement. Once countable sports have been confirmed, ensure that UTA has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System.

*No material exceptions were noted as a result of this procedure.*

- For Pell Grants: Agree the total number of Division I student-athletes who, during the academic year, received a Pell Grant award and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of UTA's financial aid records, of all student-athlete Pell Grants.

*No material exceptions were noted as a result of this procedure.*

**Agreed-Upon Procedures Related to Other Reporting Items**

**Excess Transfers to Institution and Conference Realignment Expenses**

68. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

*Procedure was not applicable. Athletics did not have transfers to the institution or conference realignment expenses for the reporting period.*

**Total Athletics Related Debt**

69. Obtain repayment schedules for all outstanding intercollegiate athletics debt during the reporting period. Recalculate annual maturities (consisting of principal and interest) provided in the schedules obtained.
70. Agree the total annual maturities and total outstanding athletic related to supporting documentation and UTA's general ledger, as applicable.

*No material exceptions were noted as a result of these procedures.*

**Total Institutional Debt**

71. Agree the total outstanding institutional debt to supporting documentation and the UTA's audited financial statements, if available, or the UTA's general ledger.



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*No material exceptions were noted as a result of this procedure.*

**Value of Athletics Dedicated Endowments**

72. Obtain a schedule of all athletics dedicated endowments maintained by athletics, UTA, and affiliated organizations. Agree the fair market value in the schedule(s) to supporting documentation, the general ledger(s) and audited financial statements, if available.

*No material exceptions were noted as a result of this procedure.*

**Value of Institutional Endowments**

73. Agree the total fair market value of institutional endowments to supporting documentation, UTA's general ledger and/or audited financial statements, if available.

*No material exceptions were noted as a result of this procedure.*

**Total Athletics Related Capital Expenditures**

74. Obtain a schedule of athletics related capital expenditures made by athletics, UTA, and affiliated organizations during the reporting period.
75. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

*No material exceptions were noted as a result of these procedures.*

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying SRE of Athletics. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the procedures specified above and does not extend to UTA's financial statements.

This report is intended solely for the information and use of UTA management and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

J. Michael Peppers, CPA, CIA, QIAL, CRMA  
Chief Audit Executive

Gan Louie, CIA, CISA  
Audit Supervisor



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APPENDIX A

THE UNIVERSITY OF TEXAS AT ARLINGTON DEPARTMENT OF INTERCOLLEGIATE ATHLETICS  
 STATEMENT OF REVENUES AND EXPENSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

	Men's Basketball	Women's Basketball	Men's Track	Women's Track	Men's Tennis	Women's Tennis
<i>Operating Revenues:</i>						
1 Ticket Sales	\$ 215,065	28,660	31,630	31,631	-	-
2 Direct State or Other Govt Support	-	-	-	-	-	-
3 Student Fees	-	-	-	-	-	-
4 Direct Institutional Support	190,718	176,500	9,700	15,300	1,300	4,700
5 Less - Transfers to Institution	-	-	-	-	-	-
6 Indirect Institutional Support	-	-	-	-	-	-
6A Indirect Inst Support - Debt, Lease, Rental	-	-	-	-	-	-
7 Guarantees	277,500	51,962	-	-	-	-
8 Contributions	8,393	11,620	4,415	-	1,000	-
9 In-Kind	1,125	250	580	500	-	250
10 3rd Party Compensation & Benefits	-	-	-	-	-	-
11 Media Rights	-	-	-	-	-	-
12 NCAA Distributions	23,160	-	5,645	-	-	2,532
13 Conference Distributions	-	-	-	-	-	-
14 Program Sales, Concessions, & Parking	-	-	-	-	-	-
15 Royalties, Advertising, & Sponsorships	-	-	-	-	-	-
16 Sports Camp Revenues	23,533	15,741	-	-	-	-
17 Athletics Rest Endow/Invest Income	8,491	1,400	-	-	-	-
18 Other Operating Revenue	-	-	55,204	55,203	10,295	-
19 Bowl Revenue	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>747,985</b>	<b>286,133</b>	<b>107,174</b>	<b>102,634</b>	<b>12,595</b>	<b>7,482</b>
<i>Operating Expenses:</i>						
20 Athletics Student Aid	347,746	379,111	269,260	382,491	82,006	197,949
21 Guarantees	5,000	-	-	-	-	-
22 Coaching Salaries & Benefits	731,775	573,431	178,294	179,167	88,838	-
23 3rd Party Compensation & Benefits	-	-	-	-	-	-
24 Support Staff/Admin Salaries & Benefits	45,359	3,517	5,434	-	-	-
25 3rd Party Support Staff	-	-	-	-	-	-
26 Severance Payments	-	-	-	-	-	-
27 Recruiting	31,069	39,381	1,283	1,613	1,835	2,606
28 Team Travel	277,031	220,543	74,366	74,411	42,038	29,443
29 Sports Equip, Uniforms, & Supplies	57,531	48,051	19,852	18,307	23,457	25,530
30 Game Expenses	122,893	97,254	42,592	44,097	15,164	11,366
31 Fund Raising, Mktg, Promotions	-	698	208	-	120	-
32 Sports Camp Expenses	6,318	8,660	-	-	-	-
33 Spirit Groups	-	-	-	-	-	-
34 Debt Service, Lease, Rental Fees	-	-	-	-	-	-
35 Direct Overhead/Admin Expenses	58,529	16,859	21,635	17,355	6,456	1,681
36 Indirect Institutional Support	-	-	-	-	-	-
37 Medical Expenses & Insurance	(400)	-	385	349	388	60
38 Memberships & Dues	765	4,251	1,231	48	1,165	15
39 Student-Athletic Meals (non-travel)	6,260	4,730	228	-	2,325	1,111
40 Other Operating Expenses	20,051	3,705	2,108	575	80	80
41 Bowl Expenses	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>1,709,927</b>	<b>1,400,191</b>	<b>616,876</b>	<b>718,413</b>	<b>263,872</b>	<b>269,841</b>
50 Excess Transfer to University	-	-	-	-	-	-
51 Conference Realignment	-	-	-	-	-	-
<b>Total Expenses</b>	<b>1,709,927</b>	<b>1,400,191</b>	<b>616,876</b>	<b>718,413</b>	<b>263,872</b>	<b>269,841</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenses</b>	<b>\$ (961,942)</b>	<b>(1,114,058)</b>	<b>(509,702)</b>	<b>(615,779)</b>	<b>(251,277)</b>	<b>(262,359)</b>



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APPENDIX A

THE UNIVERSITY OF TEXAS AT ARLINGTON DEPARTMENT OF INTERCOLLEGIATE ATHLETICS  
 STATEMENT OF REVENUES AND EXPENSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

	Volleyball	Baseball	Softball	Men's Golf	Women's Golf	Non-Program Specific	Total
<i>Operating Revenues:</i>							
1 Ticket Sales	13,360	54,063	12,576	-	-	114,400	501,385
2 Direct State or Other Govt Support	-	-	-	-	-	-	-
3 Student Fees	-	-	-	-	-	5,217,824	5,217,824
4 Direct Institutional Support	81,000	20,000	14,300	4,500	1,300	3,781,091	4,300,409
5 Less - Transfers to Institution	-	-	-	-	-	-	-
6 Indirect Institutional Support	-	-	-	-	-	721,118	721,118
6A Indirect Inst Support - Debt, Lease, Rental	-	-	-	-	-	343,840	343,840
7 Guarantees	7,500	2,500	-	-	-	-	339,462
8 Contributions	2,087	27,988	4,850	72,593	-	397,121	530,067
9 In-Kind	1,000	7,123	3,000	18,250	-	75,177	107,255
10 3rd Party Compensation & Benefits	-	-	-	-	-	-	-
11 Media Rights	-	-	-	-	-	-	-
12 NCAA Distributions	-	-	-	-	-	657,764	689,101
13 Conference Distributions	-	-	-	-	-	292,532	292,532
14 Program Sales, Concessions, & Parking	-	-	-	-	-	8,309	8,309
15 Royalties, Advertising, & Sponsorships	-	-	-	-	-	593,371	593,371
16 Sports Camp Revenues	13,899	20,924	12,580	-	-	-	86,677
17 Athletics Rest Endow/Invest Income	-	13,100	-	2,833	-	21,670	47,494
18 Other Operating Revenue	57	22,341	1,600	43,050	-	87,930	275,680
19 Bowl Revenue	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>118,903</b>	<b>168,039</b>	<b>48,906</b>	<b>141,226</b>	<b>1,300</b>	<b>12,312,147</b>	<b>14,054,524</b>
<i>Operating Expenses:</i>							
20 Athletics Student Aid	282,246	250,459	217,958	96,336	13,903	547,993	3,067,458
21 Guarantees	-	-	-	-	-	-	5,000
22 Coaching Salaries & Benefits	202,874	297,492	237,249	157,559	39,917	225,570	2,912,166
23 3rd Party Compensation & Benefits	-	-	-	-	-	-	-
24 Support Staff/Admin Salaries & Benefits	-	20,164	417	-	-	2,828,051	2,902,942
25 3rd Party Support Staff	-	-	-	-	-	-	-
26 Severance Payments	-	-	-	-	-	-	-
27 Recruiting	10,831	15,694	19,884	4,551	3,079	-	131,826
28 Team Travel	109,678	210,136	162,210	92,036	-	-	1,291,892
29 Sports Equip, Uniforms, & Supplies	11,392	64,912	47,555	85,534	10,492	7,921	420,534
30 Game Expenses	62,112	68,982	26,266	27,427	-	175,989	694,142
31 Fund Raising, Mktg, Promotions	30	5,193	1,111	79	590	195,402	203,431
32 Sports Camp Expenses	846	521	-	-	-	-	16,345
33 Spirit Groups	-	-	-	-	-	41,070	41,070
34 Debt Service, Lease, Rental Fees	-	-	-	-	-	343,840	343,840
35 Direct Overhead/Admin Expenses	18,713	13,542	12,179	27,279	72	638,145	832,445
36 Indirect Institutional Support	-	-	-	-	-	721,118	721,118
37 Medical Expenses & Insurance	60	-	167	-	-	216,344	217,353
38 Memberships & Dues	2,278	-	225	2,725	850	115,799	129,352
39 Student-Athletic Meals (non-travel)	847	10,141	837	967	89	47,363	74,898
40 Other Operating Expenses	10,105	328	2,315	7,814	1,370	91,573	140,104
41 Bowl Expenses	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>712,012</b>	<b>957,564</b>	<b>728,373</b>	<b>502,307</b>	<b>70,362</b>	<b>6,196,178</b>	<b>14,145,916</b>
50 Excess Transfer to University	-	-	-	-	-	-	-
51 Conference Realignment	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>712,012</b>	<b>957,564</b>	<b>728,373</b>	<b>502,307</b>	<b>70,362</b>	<b>6,196,178</b>	<b>14,145,916</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenses</b>	<b>(593,109)</b>	<b>(789,525)</b>	<b>(679,467)</b>	<b>(361,081)</b>	<b>(69,062)</b>	<b>6,115,969</b>	<b>(91,392)</b>



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**APPENDIX B  
NOTES TO THE STATEMENT OF REVENUES AND EXPENSES**

**NOTE 1 – Summary of Significant Accounting Policies**

*Fiscal Year* – UTA's fiscal year is the period beginning each September 1 and ending each August 31 of the subsequent calendar year.

*Principles of Preparation* – The SRE is prepared in accordance with the NCAA financial reporting guidelines. Information used in the SRE's preparation is obtained primarily from information recorded in UTA's financial accounting system. Other information, such as amounts estimated for non-cash trade-out agreements and gifts in-kind, is obtained from records maintained by Athletics.

*Student Fees* – In 1998, the UTA student body voted to implement an athletic fee to fund Athletics. The current athletic fee is \$8.50 per credit hour with a ceiling of \$115 per student per semester. Although UTA has flat rate tuition, the athletic fee is allocated based on the previous student fee structure.

*Direct Institutional Support* – Direct Institutional Support is composed of amounts for institutional transfers to fund or support Athletics in the budgeting process and work-study paid by the institution.

*Indirect Institutional Support* – The Indirect Institutional Support line item reflects amounts expended by other institutional departments in support of Athletics and a one percent administrative fee based on Athletics' total operating expenses less Athletics Student Aid expenses. This one percent administrative fee was not an actual dollar amount charged to Athletics but reflects an estimated value of indirect facilities and administrative support.

**NOTE 2 – Contributions Constituting More than 10 Percent of All Contributions**

There were no individual contributions of moneys, goods, or services received directly by Athletics from an affiliated or outside organization that constituted 10 percent or more of all contributions received for Athletics during the reporting period.

**NOTE 3 – Capital Assets**

The Property Management Office at UTA oversees the methods utilized to manage inventory property and provides procedures and services to ensure that all state and federal requirements are met. The State Comptroller has developed a State Property Accounting (SPA) guide to assist the state government in accounting for state and federal government property. Athletics acquires, depreciates, and disposes assets in accordance with UTA institutional policy as follows:

- Acquisition - Athletics acquires capital assets through the normal process at the institution. All purchases are centralized and are to be made using the method that provides the best value to UTA. Competitive procurement is generally required for assets above \$15,000. The capitalization threshold is \$5,000.
- Depreciation - Depreciation is allocated to Athletics based on the assets, or portions of real assets, under the control of Athletics. Depreciation is calculated on a straight-line basis.





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- Disposal - Disposal of capital assets must be done in accordance with State of Texas law and institutional policy.

**NOTE 4 – Other Reporting Items**

<b>Category</b>	<b>Amount</b>
Excess Transfers to Institution	\$0
Conference Realignment Expenses	Not Applicable
Total Athletics Related Debt	\$6,703,769
Total Institutional Debt	\$327,725,821
Value of Athletics Dedicated Endowments	\$1,191,792
Value of Institutional Endowments	\$145,126,200
Total Athletics Related Capital Expenditures	\$335,126

**NOTE 5 – Future Debt Repayment Schedule**

UTA receives proceeds from bonds issued and held by UT System to support capital projects of UT System and its institutions. All bonds issued by the UT System are defined as revenue bonds. As such, the revenues of all UT System institutions, including UTA, are pledged for repayment of the bonds. No amount of indebtedness related to these bonds has been recorded on UTA’s financial statements.

As of August 31, 2017, UTA (through UT System) had outstanding debt related to the Athletics Department totaling \$6,703,769. Debt service requirements to maturity for this outstanding debt are summarized as follows:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 160,000	172,144	332,144
2019	166,000	166,165	332,165
2020	172,000	159,959	331,959
2021	179,000	153,548	332,548
2022	185,000	146,873	331,873
2023-2027	1,039,000	625,169	1,664,169
2028-2032	1,011,000	428,525	1,439,525
2031-2037	1,154,000	230,691	1,384,691
2038-2042	526,000	28,695	554,695
<b>Total Requirements</b>	<b>\$ 4,592,000</b>	<b>2,111,769</b>	<b>6,703,769</b>



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**APPENDIX C  
VARIANCE ANALYSIS**

Amounts for each major revenue and expense account over 10% of the total revenues or expenses were compared to prior period and budget estimate amounts. For applicable variations greater than 10%, an understanding was obtained as noted below. All explanations appear to be reasonable.

**Comparison to Prior Period**

The following SRE categories met the threshold for investigation:

<b>ID</b>	<b>Category</b>	<b>FY 2017 SRE</b>	<b>FY 2016 SRE</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Variance Explanation</b>
22	Coaching Salaries, Benefits and Bonuses	\$2,912,166	\$2,625,534	+ \$286,632	+ 10.92%	This increase was attributable to salary increases and bonuses in several sports, as specified in their coaching contracts. Also, there were increased salaries for newly-hired coaching staff in one sport.
24	Support Staff/Administrative Compensation, Benefits and Bonuses	\$2,902,942	\$2,606,669	+ \$296,273	+ 11.37%	This increase was attributable to new staffing hires and an increase in part-time support staff employees.

**Comparison to Budget Estimates**

No items met the threshold for investigation.